

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW HAMPSHIRE**

In re:

Financial Resources Mortgage, Inc., and
C L & M, Inc., a/k/a Commercial Project
Loan Servicing,
and other jointly administered cases*

Debtors

Bk. Nos. 09-14565-JMD
09-14566-JMD

Chapter 7

Jointly Administered

Hearing Date: 3/18/2010
Hearing Time: 1:30 p.m.

OBJECTION DEADLINE: 3/17/2010 at 4:00 pm

* Check the box that applies to this pleading:

XXX **This pleading concerns all jointly administered cases**

_____ This pleading concerns the following jointly administered case(s):

**APPLICATION OF THE CHAPTER 7 TRUSTEE FOR AN ORDER APPROVING THE
EMPLOYMENT AND RETENTION OF RADIE-COFFIN, CALLAGHAN & MINDLIN,
P.C. AS REAL ESTATE ATTORNEYS**

NOW COMES Steven M. Notinger, the Chapter 7 Trustee, by his attorneys, Donchess & Notinger, P.C. pursuant to U.S.C. §327(a) and Federal Bankruptcy Rule 2014(a), requests that this Court, on an ex-parte basis, approve his retention and employment of the Radie-Coffin, Callaghan & Mindlin, P.C., 6 Garvin Falls Road, Concord, New Hampshire (RCM), as real estate attorneys to the Trustee. In support of this Application, the Trustee states as follows:

1. On November 20, 2009 (the "Petition Date") involuntary petitions for relief pursuant to Chapter 7 of the Bankruptcy Code were filed against Financial Resources Mortgage, Inc. ("FRM") and C L & M, Inc. ("CLM") by three unsecured creditors with the assistance of the New Hampshire Attorney General's Office. The Trustee was appointed as the gap trustee, and

then the interim trustee for both FRM and CLM. This Court granted joint administration of the FRM and CLM cases on December 14, 2009 and designated 09-14565-JMD as the Lead Case (See Document No. 49 on the Lead Case Docket). FRM and CLM are associated with a large ponzi scheme that used the mortgage brokerage business to steal millions of dollars from investors.

2. As part of the scheme, over 90 trusts were created and used as vehicles to perpetrate fraud (the "Debtor-Trusts"). The principals in FRM, Donald Dodge ("Dodge") and Scott David Farah ("Farah") solicited individuals to participate in the Trusts which were used to lend funds on various projects. Dodge Financial, Inc. was the Trustee of most if not all of the Trusts. All monies were funneled through CLM, comingled and used to continue the ponzi scheme until the scheme collapsed in November 2009.

3. The Trustee was appointed as Receiver for the Debtor-Trusts by the Belknap County Superior Court (New Hampshire) for purposes of placing the Debtor-Trusts into Chapter 7 bankruptcy, with the idea that they will eventually be substantively consolidated with CLM and FRM and their assets liquidated for the benefit of all defrauded creditors. See e.g. In Re Corporate Financing, Inc. 221 B.R. 671 (Bankr.E.D.N.Y. 1998).

4. As part of that liquidation process the Trustee requires the services of an experienced real estate attorney to review real estate records, assist the Trustee with title insurance claims and review, and to generally assist the Trustee in the liquidation of the real estate assets in the case.

5. The Applicant is well qualified to handle the issues in this case, as members of its firm have extensive experience in the areas of loan workouts, foreclosures, lender liability, title examination and title insurance issues (see firm member biographies attached hereto as Exhibit B).

6. To the best of the Trustee's knowledge, RCM has no connection to the parties in this case except as outlined in the Affidavit of Tenley Callaghan, attached hereto as Exhibit A.

After due inquiry, the Trustee is satisfied that RCM is a disinterested party in the matters in which it is to be engaged within the meaning and intent of 11 U.S.C. §101(14). See Exhibit A.

7. The Trustee believes the employment of RCM is in the best interest of the estate.

8. RCM agrees to represent the Trustee on an hourly rate plus expense reimbursement basis. The hourly rate for services provided ranges from \$50.00 to \$200.

9. All fees and expenses are subject to the Court's approval after an appropriate application at the completion of services and a finding that the fees and expenses are: (a) reasonable; (b) actual; (c) necessary; and (d) of benefit to the estate.

10. RCM has been working with the Trustee since approximately February, 2010. However, for the convenience of all parties and the Court, the Trustee held off on filing this employment application until all of the Debtor-Trust bankruptcy cases were filed and jointly administered with FRM and CLM. Therefore, employment is requested nunc pro tunc to the commencement of work by RCM or the Petition Date whichever is later.

11. This application has been forwarded to the Office of the United States Trustee and to everyone on the electronic mailing system.

WHEREFORE, the Trustee Steven M. Notinger respectfully requests that the Court:

- A. Approve the employment of RCM under the terms specified above and;
- B. Grant such other and further relief as it deems just and equitable.

Respectfully submitted,

STEVEN M. NOTINGER,
CHAPTER 7 TRUSTEE

By his attorneys
Donchess & Notinger, P.C.

Dated: 3/9/2010

By: /s/ Deborah A. Notinger
Deborah A. Notinger
547 Amherst Street, Ste 204
Nashua NH 03063
603-886-7266
nontrustee@dnptc.com

/s/ Tenley P. Callaghan,
Tenley P. Callaghan, Esq.
Radie-Coffin, Callaghan & Mindlin, P.C.

CERTIFICATE OF SERVICE

I hereby certify that on this date I served the above Notice of Hearing upon those parties listed on the attached Service List, by ECF or by first class mail, postage prepaid, as indicated.

Sabrina Beavens on behalf of Creditor Barry Neumann
sbeavens@iurillolaw.com

Stephen L. Boyd on behalf of Creditor YR Investments, LLC
sboyd@wadleighlaw.com

Timothy Britain on behalf of Interested Party DR 2008 Realty Trust
britaint@cwbp.com, benedettol@cwbp.com; stanley@cwbp.com; whitlockd@cwbp.com

Katherine L. Brown on behalf of Creditor Philbrick

kbrown@hpgrlaw.com, dhayes@hpgrlaw.com; mwhelan@hpgrlaw.com

Ronald J. Caron on behalf of Defendant Richard Frucci
rcaron@bclilaw.com, tlambiris@bclilaw.com

William E. Christie on behalf of Defendant Alan McIlvene
mailto:wchristie@shaheengordon.com ltwchristie@shaheengordon.com,
jbellemore@shaheengordon.com; concord@shaheengordon.com

Mark S. Derby on behalf of Creditor Carole Billin
derbym@cwbp.com,
derbym2@comcast.net; msdnhl@yahoo.com; stanley@cwbp.com; marchands@cwbp.com

Charles B. Doleac on behalf of Creditor Eileen O'Neil
cdoleac@nhlawfirm.com, kbratko@nhlawfirm.com; smoulton@nhlawfirm.com

James W. Donchess on behalf of Plaintiff Steven Notinger
nontrustee@dntpc.com

Peter V. Doyle on behalf of Creditor Pro Style Financial, Inc.
pdoyle@shaines.com

Michael A. Fagone on behalf of Creditor Andreas Papadimitriou
mfagone@bernsteinshur.com,
acummings@bernsteinshur.com; lkubiak@bernsteinshur.com; astewart@bernsteinshur.com; khiggins@bernsteinshur.com

Joseph A. Foster on behalf of Creditor John Shelley
joe.foster@mclane.com, bankruptcy@mclane.com

Charles W. Gallagher on behalf of Creditor Pensco Trust Co., Custodian, FBO Bruce Byers IRA
charles.gallagher@hpllaw.com

J. Brandon Giuda on behalf of Creditor Dennis Moeller
giudalaw@aol.com

Kenneth J. Gould on behalf of Creditor Larry Mansfield
Bankruptcy@gouldnhlaw.com, ken.gould@gouldnhlaw.com

David William Jordan on behalf of Creditor Deborah Livingston
jordan@granitelaw.com, alanna@granitelaw.com

Geraldine Karonis on behalf of U.S. Trustee Office of the U.S. Trustee
USTPRegion01.MR.ECF@usdoj.gov, Geraldine.L.Karonis@usdoj.gov

James S. LaMontagne on behalf of Creditor Louis Gargas
nhbankruptcycourt@sheehan.com, ntoli@sheehan.com; jamontagne@sheehan.com

Christopher P. Mulligan on behalf of Interested Party Shared Towers, VA, LLC
cmulligan@bosenspringer.com

Steven M. Notinger
trustee@dntpc.com, NH03@ecfbis.com

Deborah A. Notinger on behalf of Plaintiff Steven Notinger
debbie@dntpc.com, nontrustee@dntpc.com; trustee@dntpc.com

Steven M. Notinger on behalf of Trustee Steven Notinger
nontrustee@dntpc.com,

BY FIRST CLASS MAIL, POSTAGE PREPAID TO:

John L. Ahlgren on behalf of Petitioning Creditor Mark Johnstone
101 Market Street
P O Box 1211
Portsmouth, NH 03802-1211

Ricardo I Kilpatrick on behalf of Creditor Wayne County Treasurer
615 Griswold, Suite 1004
Detroit, MI 48226-3985

Thomas M. Looney on behalf of Interested Party Old Republic National Title Insurance
Company, Inc.
Bartlett Hackett Feinberg, P.C.
155 Federal Street
9th Floor
Boston, MA

Peter Martino
PO Box 86
Epsom, NH 03234

David C. Phalen
Bartlett Hackett Feinberg P.C.

155 Federal Street, 9th Floor
Boston, MA 02110

Anthony Vergara
1 Lincolndale Court
Medford, NJ 08055-3282

Dated: March 9, 2010

/s/ Deborah A. Notinger
Deborah A. Notinger